NULEGACY GOLD CORPORATION

Condensed Interim Consolidated Financial Statements

For the three and nine months ended December 31, 2013 and 2012
(Unaudited – Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

NULEGACY GOLD CORPORATION
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	December 31, 2013	March 31, 2013
		$	$
Assets			
Current assets			
Cash and cash equivalents	3	1,387,242	443,306
Receivables		18,927	23,660
Prepaid expenses and deposits	4	187,707	148,974
		1,593,876	615,940
Non-current assets			
Held for trading investment		7,445	-
Equipment	5	3,278	11,175
Exploration and evaluation assets	6	2,609,394	1,993,136
		4,213,993	**2,620,251**
Liabilities and Shareholders' Equity			
Current liabilities			
Trade and other payables	7,8	68,233	83,030
Shareholders' equity			
Share capital	9	7,884,220	6,387,805
Warrants reserve	9	3,734,030	2,927,108
Share option reserve	9	1,726,602	1,551,022
Share subscriptions		-	40,338
Accumulated deficit		(9,199,092)	(8,369,052)
		4,145,760	2,537,221
		4,213,993	**2,620,251**

Corporate Information (Note 1)   Subsequent Event (Note 14)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

NULEGACY GOLD CORPORATION
Condensed Interim Consolidated Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended December 31,		Nine months ended December 31,	
		2013	**2012**	**2013**	**2012**
		$	**$**	**$**	$
Operating expenses					
Bank charges		**299**	286	**1,089**	1,151
Consulting		**45,886**	47,909	**135,218**	174,832
Depreciation	5	**1,947**	3,115	**7,897**	11,692
Dues and subscriptions		**1,500**	2,385	**4,169**	7,537
Insurance		**7,286**	7,161	**23,755**	21,184
Investor relations	8	**99,334**	121,175	**268,846**	361,229
Office		**19,941**	20,080	**64,986**	82,698
Printing and reproduction		**3,268**	986	**8,589**	6,254
Professional fees	8	**30,719**	63,089	**88,289**	136,243
Regulatory and transfer agent		**9,072**	5,099	**19,881**	17,593
Rent		**1,000**	13,345	**22,266**	48,242
Share based payments	8	**40,984**	9,478	**175,580**	117,945
Telecommunication		**3,107**	2,753	**9,287**	7,382
Travel and accommodation		**4,804**	10,302	**29,699**	23,660
		269,147	307,163	**859,551**	1,017,642
Other income (loss)					
Foreign exchange gain (loss)		**29,269**	(2,006)	**49,970**	2,680
Unrealized loss on held for trading investment	11	**(10,802)**	-	**(20,651)**	-
Interest and other income		**61**	-	**192**	546
		18,528	(2,006)	**29,511**	3,226
Net loss and comprehensive loss for the period		**(250,619)**	(309,169)	**(830,040)**	(1,014,416)
Basic and diluted loss per share	9	**(0.00)**	(0.00)	**(0.01)**	(0.02)
Weighted average common shares outstanding		**85,488,897**	63,517,196	**81,044,495**	59,922,527

NULEGACY GOLD CORPORATION
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Nine months ended December 31,	
	2013	2012
	$	$
Operating activities		
Net loss for the period	**(830,040)**	(1,014,416)
Items not affecting cash and cash equivalents		
Amortization	**7,897**	11,692
Share based payments	**175,580**	117,945
Unrealized loss on held for trading investment	**20,651**	-
Changes in non-cash working capital		
Receivables	**4,733**	(19,917)
Prepaid expenses and deposits	**(38,733)**	93,859
Trade and other payables	**(32,130)**	(156,623)
Total cash outflows from operating activities	**(692,042)**	(967,460)
Financing activities		
Proceeds from issuance of common shares	**2,364,363**	1,899,676
Share issuance costs	**(94,064)**	-
Decrease in subscriptions payable	**-**	(150,000)
Total cash inflows from financing activities	**2,270,299**	**1,749,676**
Investing activities		
Purchase of equipment	**-**	(7,010)
Purchase of held for trading investment	**(28,096)**	-
Exploration and evaluation asset expenditures	**(606,225)**	(1,829,320)
Total cash outflows from investing activities	**(634,321)**	(1,836,330)
Net change in cash and cash equivalents	**943,936**	(1,054,114)
Cash and cash equivalents, beginning of period	**443,306**	2,090,862
Cash and cash equivalents, end of period	**1,387,242**	1,036,748
Other non-cash items		
Warrants issued in private placement	**798,029**	-
Warrants issued as finders' fee	**8,893**	-
Shares issued in acquisition of exploration and evaluation assets	**12,000**	14,000
Share issue costs in trade and other payables	**19,300**	-
Exploration and evaluation assets in trade and other payables	**1,738**	-

NULEGACY GOLD CORPORATION
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Note	Number of shares	Share capital	Share subscriptions	Warrants reserve	Share option reserve	Accumulated deficit	Total
			$	$	$	$	$	$
Balance, April 1, 2012		56,949,251	4,893,958	150,000	2,518,880	1,284,185	(3,297,895)	5,549,128
Shares issued, acquisition of mineral properties	6	100,000	14,000	-	-	-	-	14,000
Shares issued, private placement, net of issue costs	9	12,310,998	1,479,847	(150,000)	408,228	-	-	1,738,075
Share based payments	9	-	-	-	-	117,945	-	117,945
Net loss for the period		-	-	-	-	-	(705,247)	(705,247)
Balance, December 31, 2012		69,360,249	6,387,805	-	2,927,108	1,402,130	(4,003,142)	6,713,901
Subscriptions received		-	-	40,338	-	-	-	40,338
Share based payments	9	-	-	-	-	148,892	-	148,892
Net loss for the period		-	-	-	-	-	(4,365,910)	(4,365,910)
Balance, March 31, 2013		69,360,249	6,387,805	40,338	2,927,108	1,551,022	(8,369,052)	2,537,221
Shares issued, private placement, net of issue costs	9	23,643,630	1,484,415	(40,338)	806,922	-	-	2,250,999
Shares issued for acquisition of mineral properties	6	100,000	12,000	-	-	-	-	12,000
Share based payments	9	-	-	-	-	175,580	-	175,580
Net loss for the period		-	-	-	-	-	(830,040)	(830,040)
Balances, December 31, 2013		**93,103,879**	**7,884,220**	**-**	**3,734,030**	**1,726,602**	**(9,199,092)**	**4,145,760**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Corporate Information

NuLegacy Gold Corporation (the "Company") is a publicly listed entity on the TSX Venture Exchange and incorporated under the laws of the Province of British Columbia. The Company's principal business activity is the acquisition and exploration of mineral properties. Its principal mineral property interests are located in Nevada, USA.

The head office, principal address, and records office of the Company are located at 355 Burrard Street, Suite 1000, Vancouver, British Columbia, Canada, V6C 2G8.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's mineral property interests are located outside of Canada and are subject to the risks associated with foreign investment, including increases in taxes and royalties, renegotiations of contracts, currency exchange fluctuations and political uncertainty. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

These unaudited condensed interim consolidated financial statements have been prepared on the assumption that the Company and its subsidiary will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2013, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management believes they have sufficient working capital to maintain the next 12 months of operations.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize assets and discharge liabilities and commitments in the normal course of business for the foreseeable future. These condensed interim consolidated financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

The following is a summary of significant accounting policies used in the preparation of these unaudited condensed interim consolidated financial statements.

Statement of compliance:
These unaudited condensed interim consolidated financial statements of the Company and its subsidiary have been prepared in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting", using accounting policies that are consistent and in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") that are in effect at December 31, 2013.

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for cash and cash equivalents and other financial instruments classified as fair value through profit or loss or the available-for-sale investment that has been measured at fair value. These unaudited condensed interim consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

2. Significant Accounting Policies (continued)

Statement of compliance (continued):
These unaudited condensed interim consolidated financial statements for the period ended December 31, 2013, including the comparative amounts, were approved and authorized for issue by the Board of Directors on February 26, 2014.

The accounting policies applied in preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended March 31, 2013, with the exception of certain amendments to accounting standards issued by the IASB, which were applicable from April 1, 2013. These amendments did not have a significant impact on the Company's unaudited condensed interim consolidated financial statements.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim consolidated financial statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 2 to the Company's consolidated financial statements for the year ended March 31, 2013.

The Company's interim results are not necessarily indicative of its results for a full year.

Basis of Consolidation:
These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, NuLegacy Gold N.V., which was incorporated in Nevada, USA. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company balances and transactions, including any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Standards issued or amended but not yet effective:
A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended March 31, 2014 and have not been applied in preparing these financial statements. The Company is currently considering the possible effects of the new and revised standards which will be effective to the Company's financial statements for the year ending March 31, 2015 or later:

- IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted. The Company does not expect any effect on the Company's financial statements.

- IFRS 10 – Consolidated Financial Statements amendment provides clarification on investment entitles. The amendments are effective for annual periods beginning on or after January 1, 2014. The Company does not expect any effect on the Company's financial statements.

- IAS 27 – Separate Financial Statements amendment provides clarification on investment entitles. The amendments are effective for annual periods beginning on or after January 1, 2014. The Company does not expect any effect on the Company's financial statements.

2. Significant Accounting Policies (continued)

Standards issued or amended but not yet effective (continued):

- IAS 32 – Financial Instruments: Presentation amendment provides clarification on the application of offsetting rules. The amendments are effective for annual periods beginning on or after January 1, 2014. The Company does not expect any effect on the Company's financial statements.

Significant accounting judgments, estimates and assumptions:
The preparation of the condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities, income and expenses. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Information about significant areas of estimation uncertainty considered by management in preparing the condensed interim consolidated financial statements is described below:

(a) Reserves and resource estimates:

Reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company does not have any currently defined reserves. The Company estimates its mineral resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the mineralized body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the mineralized body.

Changes in resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, recognition of deferred tax assets, and depreciation and amortization charges.

(b) Exploration and evaluation expenditure:

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available.

2. Significant Accounting Policies (continued)

Significant accounting judgments, estimates and assumptions (continued):

(c) Impairment of assets:

The Company assesses each cash generating unit at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed its cash generating units as being an individual mine site, which is the lowest level for which cash inflows are largely independent of those of other assets.

(d) Contingencies:

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

(e) Recovery of deferred tax assets:

Judgment is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

(f) Fair value hierarchy:

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(Unaudited - Expressed in Canadian dollars)

3. Cash and Cash Equivalents

	December 31, 2013	March 31, 2013
	$	$
Bank balances	1,361,367	417,286
Short term deposits	25,875	26,020
	1,387,242	**443,306**

4. Prepaid Expenses and Deposits

	December 31, 2013	March 31, 2013
	$	$
Prepaid expenses	108,594	69,861
Reclamation bonds	79,113	79,113
	187,707	**148,974**

5. Equipment

	Computers
	$
Cost	
As at April 1, 2012	19,307
Additions	10,675
As at March 31, 2013	29,982
Additions	-
As at December 31, 2013	**29,982**
Accumulated depreciation and impairment	
As at April 1, 2012	4,043
Charge for the year	14,764
As at March 31, 2013	18,807
Charge for the period	7,897
As at December 31, 2013	**24,757**
Net book value	
As at March 31, 2013	11,175
As at December 31, 2013	**3,278**

(Unaudited - Expressed in Canadian dollars)

6. Exploration and Evaluation Assets

	Red Hill Properties				
	Miranda Property	Barrick Property	Wilson Property	Wood Hills South Property	Total
	$	$	$	$	$
Balance April 1, 2012	1,465,275	630,965	447,387	870,815	3,414,442
Additions	766,343	701,766	213,018	409,897	2,091,024
Dispositions	(2,231,618)	-	-	(1,280,712)	(3,512,330)
Balance March 31, 2013	-	1,332,731	660,405	-	1,993,136
Additions	-	500,333	115,925	-	616,258
Balance December 31, 2013	**-**	**1,833,064**	**776,330**	**-**	**2,609,394**

Red Hill Properties

Eureka County, Nevada

Miranda Property
The Company had an exploration and joint venture agreement with Miranda Gold Corp. (“Miranda”) to earn a 60% interest in this project by reimbursing Miranda for its 2009 – 2010 claim maintenance fees for the property in the amount of US$11,000 cash (paid), issuing 200,000 common shares (issued), incurring a total of US$200,000 in exploration expenditures before June 30, 2010 as a binding commitment (completed), and incurring a total US$3,500,000 as follows:

Expenditure deadline	Expenditure commitment (US$)	Total cumulative expenditure (US$)
June 30, 2010	200,000 (spent)	200,000
December 31, 2010	300,000 (spent)	500,000
September 30, 2011	700,000 (spent)	1,200,000
September 30, 2012	1,050,000	2,250,000
September 30, 2013	1,400,000	3,650,000
September 30, 2014	1,850,000	5,500,000

The Company could elect to acquire a further 10% interest by preparing and bearing the costs of a feasibility study to be completed within 4 years, and incurring an additional US$1,000,000 on exploration each year. If the feasibility study is not completed, the Company must incur exploration expenditures of US$1,000,000 per year for 10 years from the date of the election in order to acquire the additional 10%. Thereafter, if either of the joint venture parties’ interest falls below 10%, that party’s interest reverts to a 0.5% NSR royalty.

Miranda (Coal Canyon) Option
On January 5, 2011, the Company signed an agreement that incorporates Miranda Gold Corp.’s two square mile Coal Canyon property in Eureka County, Nevada into the Red Hill Prospect. The principal terms of the option for the Coal Canyon require NuLegacy Gold to issue 50,000 common shares to Miranda and to spend an additional US$1.5 million on either the Coal Canyon property or the previously-optioned Red Hill property. These expenditures are included in the table above and the Company is up to date with its commitments. Thus, NuLegacy can earn a 60% interest in both Miranda’s Coal Canyon and Red Hill properties for a combined expenditure of US$5.5 million over four years. NuLegacy can earn an additional 10% interest in the properties by completing a feasibility study.

On January 25, 2013, the Company terminated both the Miranda Property and Miranda (Coal Canyon) Option Agreements and all related deferred costs were written off.

(Unaudited - Expressed in Canadian dollars)

6. Exploration and Evaluation Assets (continued)

Barrick Property

On September 16, 2010, the Company entered into an exploration agreement with a joint venture election and option to purchase from Barrick Gold Exploration Inc. ("Barrick") for a 70% undivided interest in 818 unpatented mining claims in the Barrick Property located adjacent to the Miranda Property in Eureka County, Nevada, U.S.A. On August 23, 2012, the parties signed an Amended Agreement amending some of the requirements to be upheld by the Company. Under the Amended Agreement, in order to exercise the option, the Company must incur a minimum of US$5,000,000 in exploration or development expenditures on the Barrick Property (inclusive of maintenance fees) as follows:

Expenditure deadline	Expenditure commitment (US$)	Total cumulative expenditure (US$)
December 31, 2011	375,000 (spent)	375,000
December 31, 2012	875,000 (spent)	1,250,000
December 31, 2013	625,000 (spent)	1,875,000
December 31, 2014	1,125,000	3,000,000
December 31, 2015	2,000,000	5,000,000

If the Company completes the required US$5,000,000 in expenditures and earns a 70% undivided interest in the property, Barrick will have a one-time option, exercisable within 90 days, to back into a 70% interest in the property. To complete the back in, Barrick must expend US$15,000,000 over 5 years on the exploration and development of the property at a rate of at least US$1,500,000 per year. If completed, the Company's remaining 30% interest in the property will be carried by Barrick until the commencement of commercial production on the property.

Upon completion of the Company's exploration expenditures of US$5,000,000, the Company and Barrick shall form a joint venture for further exploration of the property. If Barrick does not elect to exercise the back in right or fails to complete the requirements, the Company will hold a 70% interest and Barrick will hold a 30% interest in the joint venture. If Barrick exercises the back in right and completes the requirements, the Company will hold a 30% interest and Barrick will hold a 70% interest in the joint venture.

Wilson Property

On October 18, 2010, the Company entered into a mining lease ("Lease") with Idaho Resources Corp. ("Idaho"), in which Idaho granted to the Company exclusive possession and control to explore, develop, mine and operate on the Idaho Property, which consists of 482 unpatented mining claims.

During the year ended March 31, 2013, the Company entered into a restated mining lease whereby future requirements for exploration expenditures were eliminated. In order to maintain the Lease, the Company must make annual advance royalty payments of US$25,000 (paid) and issue 100,000 common shares (issued) to Idaho in each of the first five years of the Lease. Annual cash payments will then increase to US$50,000 for year six and every year thereafter. In addition, the Company has incurred a total of US$750,000 in exploration on the property as follows:

Expenditure deadline	Expenditure commitment (US$)	Aggregate amount (US$)
August 31, 2011	250,000 (paid)	250,000
December 31, 2012	500,000 (paid)	750,000

(Unaudited - Expressed in Canadian dollars)

6. Exploration and Evaluation Assets (continued)

After an initial term of 10 years, the Lease will continue in full force and effect provided that the Company continues to maintain the property in good standing and make the requisite annual cash payments to Idaho. Upon commencement of commercial production, the annual cash payments will convert to an overriding royalty of 3% of the applicable royalty base on all gold, silver and other ores/metals from the property.

Wood Hills South Property

Elko County, Nevada

On December 8, 2009, the Company entered into an option agreement (amended on October 22, 2012) with Au-Ex, Inc. to earn a 70% interest in this prospect by paying US$20,000 cash (paid), incurring a minimum US$5,000,000 in exploration expenditures over seven years, and completing a feasibility study as per the following table:

Expenditure deadline	Expenditure commitment (US$)	Aggregate amount (US$)
December 31, 2010	150,000 (spent)	150,000
December 31, 2011	250,000 (spent)	400,000
December 31, 2012	500,000 (spent)	900,000
December 31, 2013	500,000	1,400,000
December 31, 2014	1,000,000	2,900,000
December 31, 2015	1,000,000	3,900,000
December 31, 2016	1,600,000	5,000,000

In April 2013, the Company terminated the Wood Hills South Property Option Agreement and all related deferred costs were written off as at March 31, 2013.

7. Trade and Other Payables

	December 31, 2013	**March 31, 2013**
	$	$
Trade payables	40,089	33,032
Related party payables	28,144	49,998
	68,233	**83,030**

(Unaudited - Expressed in Canadian dollars)

8. Related Party Transactions

During the nine months ended December 31, 2013, the Company entered into the following transactions with related parties, not disclosed elsewhere in these condensed interim consolidated financial statements:

- As at December 31, 2013, an advance of $11,000 (March 31, 2013 - $11,000), on account of future expenses was included in prepaid expenses and deposits and $1,575 (March 31, 2013 - $20,160) was included in trade and other payables to a company controlled by a director of the Company;

- As at December 31, 2013, an advance of $11,000 (March 31, 2013 - $11,000), on account of future expenses was included in prepaid expenses and deposits and $1,575 (March 31, 2013 - $2,771) was included in trade and other payables to a company controlled by a director and officer of the Company;

- As at December 31, 2013, an advance of $6,897 (March 31, 2013 - $11,187), on account of future expenses was included in prepaid expenses and deposits and $nil (March 31, 2013 - $9,952) was included in trade and other payables to a director and officer of the Company; and

- During the nine months ended December 31, 2013, professional fees of $57,162 (December 31, 2012 - $55,968) were incurred to a company controlled by an officer of the Company. As at December 31, 2013, $24,994 (March 31, 2013 - $9,952) was included in trade and other payables to this company.

Summary of key management personnel compensation:

	Nine months ended December 31,	
	2013	2012
	$	$
Consulting	**122,997**	132,687
Exploration and evaluation assets	**46,656**	90,457
Investor relations	**110,183**	112,305
Office	**8,782**	-
Professional fees	**26,200**	31,500
Share based payments	**130,214**	48,270

(Unaudited - Expressed in Canadian dollars)

9. Share Capital and Reserves

Authorized Share Capital

Unlimited common shares without par value

Issued Share Capital

	Shares	Share capital - gross	Share issue costs	Share capital - net
		$	$	$
Balances, April 1, 2012	56,949,251	5,477,630	583,672	4,893,958
Issued				
Mineral properties (i)	100,000	14,000	-	14,000
Private placements (ii)	12,310,998	1,564,097	84,250	1,479,847
Balances, March 31, 2013	69,360,249	7,055,727	667,922	6,387,805
Issued				
Private placements (iii)	23,643,630	1,566,334	81,919	1,484,415
Mineral properties (iv)	100,000	12,000	-	12,000
Balance, December 31, 2013	**93,103,879**	**8,634,061**	**749,841**	**7,884,220**

(i) In August 2012, the Company issued 100,000 common shares at $0.14 in connection with the Wilson Property option agreement for a value of $14,000.

(ii) On June 25, 2012, the Company completed a non-brokered private placement for a total of 2,200,000 units (the "Units") at a price of $0.20 per Unit for gross proceeds of $440,000. Each Unit consists of one common share and one share purchase warrant, each warrant entitling the holder thereof to purchase one additional common share of the Company for a period of 24 months at a price of $0.30 during the first 12 months and $0.45 during the last 12 months.

On November 21, 2012, the Company completed an initial closing of a non-brokered private placement for a total of 8,797,666 units (the "Units") at a price of $0.15 per Unit for gross proceeds of $1,319,650. Each Unit consisted of one common share and one-half share purchase warrant, with each full warrant entitling the holder thereof to purchase one additional common share of the Company for a period of 24 months, subject to acceleration, at a price of $0.25 during the first 12 months and $0.35 during the last 12 months. Finders' fees totaling $24,140 cash and 160,933 warrants were paid to certain registered finders in connection with the closing, each finder's warrant entitling the holders to purchase one common share of the Company for a period of two years.

On December 5, 2012, the Company closed the second closing of its non-brokered private placement. The Company sold an additional 946,665 units ("Units") at a price of $0.15 per Unit for gross proceeds of $142,000. A finder's fee of $3,150 cash and 21,000 finder's warrants has been paid to a registered finder on a portion of the second tranche of the private placement, each finder's warrant entitling the holder to purchase one common share of the Company for a period of two years at a price of $0.25.

On December 20, 2012, the Company closed the third and final closing of its non-brokered private placement. The Company sold an additional 366,667 units ("Units") at a price of $0.15 per Unit for gross proceeds of $55,000. A finder's fee of $1,050 cash and 7,000 finder's warrants has been paid to a registered finder on the third closing of the private placement, each finder's warrant entitling the holder to purchase one common share of the Company for a period of two years at a price of $0.25.

9. Share Capital and Reserves (continued)

Issued Share Capital (continued)

(iii) On April 11, 2013, the Company completed the first tranche of a non-brokered private placement, selling a total of 8,112,500 Units for gross proceeds of $811,250. Each Unit consists of one common share and one share purchase warrant, each warrant entitling the holder thereof to purchase one additional common share of the Company for a period of 24 months at a price of $0.15 during the first 12 months and $0.20 during the last 12 months. The fair value attributable to these share purchase warrants was $263,235.

On April 22, 2013, the Company completed the second tranche of a non-brokered private placement, selling a total of 1,250,000 Units for gross proceeds of $125,000. Each Unit consists of one common share and one share purchase warrant, each warrant entitling the holder thereof to purchase one additional common share of the Company for a period of 24 months at a price of $0.15 during the first 12 months and $0.20 during the last 12 months. The fair value attributable to these share purchase warrants was $40,579.

On May 9, 2013, the Company completed the final tranche of a non-brokered private placement, selling a total of 921,750 Units for gross proceeds of $92,175. Each Unit consists of one common share and one share purchase warrant, each warrant entitling the holder thereof to purchase one additional common share of the Company for a period of 24 months at a price of $0.15 during the first 12 months and $0.20 during the last 12 months. The fair value attributable to these share purchase warrants was $30,249. Finder's fees totaling $1,750 cash and 17,500 finder's warrants were paid to certain dealers in connection with the closing of the final tranche of the private placement. The fair value attributable to these finder's warrants was $631.

On November 12, 2013, the Company completed the first tranche of a non-brokered private placement, selling a total of 7,234,380 Units for gross proceeds of $723,438. Each Unit consists of one common share and one share purchase warrant, each warrant entitling the holder thereof to purchase one additional common share of the Company for a period of 36 months at a price of $0.15 during the first 18 months and $0.20 during the last 18 months. The fair value attributable to these share purchase warrants was $251,435. Finder's fees totaling $800 cash and 8,000 finder's warrants were paid to a dealer in connection with the closing of this private placement. The finder warrants entitles the holder to purchase one additional common share of the Company for a period of 18 months at a price of $0.10. The fair value attributable to these finder's warrants was $569.

On November 25, 2013, the Company completed the second tranche of a non-brokered private placement, selling a total of 3,675,000 Units for gross proceeds of $367,500. Each Unit consists of one common share and one share purchase warrant, each warrant entitling the holder thereof to purchase one additional common share of the Company for a period of 36 months at a price of $0.15 during the first 18 months and $0.20 during the last 18 months. The fair value attributable to these share purchase warrants was $127,419. Finder's fees totaling $8,000 cash and 60,000 finder's warrants were paid to certain dealers in connection with the closing of this private placement. The finder warrants entitles the holder to purchase one additional common share of the Company for a period of 18 months at a price of $0.10. The fair value attributable to these finder's warrants was $4,264.

On December 13, 2013, the Company completed the final tranche of a non-brokered private placement, selling a total of 2,450,000 Units for gross proceeds of $245,000. Each Unit consists of one common share and one share purchase warrant, each warrant entitling the holder thereof to purchase one additional common share of the Company for a period of 36 months at a price of $0.15 during the first 18 months and $0.20 during the last 18 months. The fair value attributable to these share purchase warrants was $85,112. Finder's fees totaling $10,800 cash and 48,000 finder's warrants were paid to a dealer in connection with the closing of this private placement. The finder warrants entitles the holder to purchase one additional common share of the Company for a period of 18 months at a price of $0.10. The fair value attributable to these finder's warrants was $3,428.

(iv) In December 2013, the Company issued 100,000 common shares at $0.12 in connection with the Wilson Property option agreement for a value of $12,000.

(Unaudited - Expressed in Canadian dollars)

9. Share Capital and Reserves (continued)

Warrants

A summary of warrant transactions are summarized as follows:

	Number of shares	**Weighted average exercise price ($)**
Balance, April 1, 2012	19,135,060	0.33
Issued [1]	2,200,000	0.30
Issued [2]	5,244,432	0.25
Expired	(6,100,500)	0.52
Balance, March 31, 2013	20,478,992	0.31
Issued [3]	10,301,750	0.15
Issued [4]	13,359,380	0.15
Issued [5]	116,000	0.10
Expired	(12,784,560)	0.35
Balance, December 31, 2013	**31,471,562**	**0.19**

[1] Each warrant entitles the holder to purchase one additional common share at a price of $0.30 in the first 12 months and $0.45 in the last 12 months.

[2] Each warrant entitles the holder to purchase one additional common share at a price of $0.25 in the first 12 months and $0.35 in the last 12 months.

[3] Each warrant entitles the holder to purchase one additional common share at a price of $0.15 in the first 12 months and $0.20 in the last 12 months.

[4] Each warrant entitles the holder to purchase one additional common share at a price of $0.15 in the first 18 months and $0.20 in the last 18 months.

[5] Each warrant entitles the holder to purchase one additional common share at a price of $0.10 for a period of 18 months.

(Unaudited - Expressed in Canadian dollars)

9. Share Capital and Reserves (continued)

Warrants (continued)

The following share purchase warrants were outstanding as at December 31, 2013:

Expiry date		Number of warrants	Exercise price ($)	Remaining contractual life (years)
June 25, 2014		2,200,000	0.45	0.48
November 20, 2014	1	4,408,033	0.35	0.89
November 20, 2014		56,000	0.25	0.89
November 20, 2014		95,733	0.15	0.89
December 5, 2014		21,000	0.25	0.93
December 5, 2014	1	473,333	0.35	0.93
December 20, 2014		7,000	0.25	0.97
December 20, 2014	1	183,333	0.35	0.97
April 11, 2015	2	8,112,500	0.15	1.28
April 22, 2015	2	1,250,000	0.15	1.31
May 9, 2015	2	939,250	0.15	1.35
May 12, 2015		8,000	0.10	1.36
May 25, 2015		60,000	0.10	1.39
June 10, 2015		48,000	0.10	1.44
December 9, 2015		250,000	0.25	1.94
November 12, 2016	3	7,234,380	0.15	2.87
November 25, 2016	3	3,675,000	0.15	2.90
December 10, 2016	3	2,450,000	0.15	2.95
		31,471,562		

[1] Last 12-months of term, strike price increases to $0.35

[2] These warrants are subject to an acceleration clause whereby if the weighted average trading price of the Company's shares is equal to or exceeds $0.225 per share during the first 11 months or $0.30 per share after the first 11 months for a period of 20 consecutive trading days then the Company will have the right to accelerate the expiry date of the warrants upon 30 days notice.

[3] These warrants are subject to acceleration at a price of $0.15 during the first 18 months and $0.20 during the last 18 months.

All warrants are shown at their current exercise price, if applicable.

The fair value of each warrant granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for grants as follows:

	Nine months ended December 31, 2013	Nine months ended December 31, 2012
Risk-free interest rate	1.12%	1.09%
Expected life	2.54	1.02
Annualized volatility	124.98	112.24
Dividend rate	-	-
Grant date fair value	$ 0.036	$ 0.051

(Unaudited - Expressed in Canadian dollars)

9. Share Capital and Reserves (continued)

Stock Options

At December 31, 2013, the Company had a fixed stock-based compensation plan (the “Plan”) providing for the grant of stock options to purchase a maximum of 11,500,000 Common Shares to eligible recipients.

In July 2013, the Company granted 500,000 stock options exercisable at $0.15 per option to consultants and an officer of the Company. The options vested 25% at the grant date and 25% every six months thereafter.

In July 2013, 500,000 stock options were forfeited.

In September 2013, the Company granted 600,000 stock options exercisable at $0.15 per share to consultants of the Company. The options vested 20% at the grant date and 20% every six months thereafter.

A summary of the status of the Plan and changes are summarized as follows:

	Number of shares	Weighted average exercise price ($)
Balance, April 1, 2012	7,042,500	0.24
Granted	3,475,000	0.19
Expired	(380,000)	0.26
Forfeited	(550,000)	0.22
Balance, March 31, 2013	9,587,500	0.23
Granted	1,100,000	0.15
Expired	(62,500)	0.25
Forfeited	(500,000)	0.20
Balance December 31, 2013	**10,125,000**	**0.23**

The following table summarizes information about the options outstanding at December 31, 2013:

Expiry date	Options outstanding	Options exercisable	Exercise price ($)	Remaining contractual life (years)
December 1, 2014	150,000	150,000	0.20	0.92
December 9, 2015	4,200,000	4,200,000	0.25	1.94
January 6, 2016	250,000	250,000	0.32	2.02
March 1, 2016	50,000	50,000	0.30	2.17
June 23, 2016	500,000	500,000	0.25	2.48
September 1, 2016	75,000	75,000	0.16	2.67
October 1, 2016	250,000	250,000	0.20	2.75
November 14, 2016	25,000	25,000	0.20	2.87
December 9, 2016	300,000	300,000	0.20	2.94
January 1, 2017	100,000	60,000	0.20	3.01
February 6, 2017	150,000	120,000	0.25	3.10
July 18, 2017	300,000	225,000	0.15	3.55
October 15, 2017	250,000	250,000	0.15	3.79
November 5, 2017	75,000	30,000	0.15	3.85
March 5, 2018	2,850,000	1,175,000	0.20	4.18
July 3, 2013	500,000	125,000	0.15	4.51
September 15, 2018	600,000	120,000	0.15	4.71
	10,125,000	**7,905,000**		

(Unaudited - Expressed in Canadian dollars)

9. Share Capital and Reserves (continued)

Stock Options (continued)

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for grants as follows:

	Nine months ended December 31,	
	2013	**2012**
Risk-free interest rate	2.01%	1.22%
Expected life	5.0	5.0
Annualized volatility	123.26	120.63
Dividend rate	-	-
Grant date fair value	$ 0.059	$ 0.118

Loss per share
The effect of dilutive securities including options and warrants has not been shown as the effect of all such securities is anti-dilutive.

10. Segmented Information

Operating segment:
The Company operated in one operating segment, which is mineral exploration in the United States.

Geographic segments:
The Company operates in two geographic segments: Canada and the United States.

11. Financial Instruments and Risk Management

Fair values

The Company has the following financial instruments carried at fair value:

		Fair Value	
Financial Assets	**Financial instrument classification**	**December 31, 2013 ($)**	**March 31, 2013 ($)**
Cash and cash equivalents	Fair value through profit and loss	1,387,242	443,306
GDX Options	Held for trading	7,445	-
		1,394,687	**443,306**

All financial assets classified as held for trading were designated as such on initial recognition. Unrealized gains or losses are recorded in the statement of profit or loss.

(Unaudited - Expressed in Canadian dollars)

11. Financial Instruments and Risk Management (continued)

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs have a significant effect on the recorded fair value that are not observable, either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

All financial instruments measured at fair value use level 1 valuation techniques in each period, being the closing bid price of the shares as quoted on a public exchange, or, where not quoted, as determined by the share of fair values of the underlying net assets of the investee.

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy at December 31, 2013:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	$	$	$	$
Cash and cash equivalents	1,387,242	-	-	1,387,242
GDX Options	7,445	-	-	7,445
	1,394,687	-	-	1,394,687

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy at March 31, 2013:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	$	$	$	$
Cash and cash equivalents	443,306	-	-	443,306

There were no transfers between levels of the fair value hierarchy during the period.

The aggregate fair value of investments with unrealized losses and the aggregate amount of the unrealized losses are:

	Fair Value	Unrealized Loss
	$	$
December 31, 2013 – Held for trading investment	7,445	20,651
March 31, 2013 – Held for trading investment	-	-

11. Financial Instruments and Risk Management (continued)

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk
- Other price risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(i) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables, and cash and cash equivalents. The cash and cash equivalents consist mainly of short-term money market deposits and are held with reputable financial institutions, from which management believes the risk of loss to be remote.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to liquidity risk is to ensure that it always has sufficient cash and credit facilities to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Company's reputation. Management typically forecasts cash flows for a period of three to six months to identify financing requirements. These requirements are then addressed primarily through access to capital markets. All of the Company's financial liabilities mature within one year.

(iii) Interest rate risk:

Interest rate risk is the risk of financial loss to the Company if market rates of interest were to change adversely. The Company's exposure to interest rate risk is not material.

11. Financial Instruments and Risk Management (continued)

Financial Risk Management (continued)

(iv) Foreign currency risk:

Foreign currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate.

The functional currency of the Company and its wholly owned subsidiary is the Canadian dollar. While the Company's parent is Canadian and its capital is raised in Canadian dollars, the Company is conducting business activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and United States dollar. All of the Company's operations the United States have been in US$.

As at December 31, 2013, the Company has cash denominated in US dollars of $926,979 (March 31, 2013 – $236,849) and held for trading investment in US dollars of $7,000 (March 31, 2013 – $Nil), and trade and other payables in US dollars of $7,855 (March 31, 2013 –$20,311). Each 1% change in the Canadian dollar versus the US dollar will result in a gain/loss of approximately $9,261 (March 31, 2013 - $2,165).

(v) Other price risk:

Other price risk is the risk that changes in market prices including commodity or equity prices will have an effect on future cash flows associated with financial instruments. The commodity price risk associated with the Company's held for trading investment primarily relates to changes to the market price of gold with all gains and losses being recognized through the statement of profit or loss.

(vi) Summary of the carrying value of the Company's financial instruments:

The fair value of all financial instruments approximates their carrying value.

12. Capital Disclosure and Management

The Company's capital management policy is to maintain a strong, but flexible capital structure that optimizes the cost of capital, creditor and market confidence while sustaining the future development of the business.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Company's capital structure includes shareholders' equity of $4,145,760. In order to maintain or adjust the capital structure, the Company may from time to time issue shares, seek additional debt financing and adjust its capital spending to manage current and projected debt levels.

The Company is not subject to externally imposed capital requirements other than as noted above.

There were no changes to the Company's approach to capital management during the nine months ended December 31, 2013.

13. Proposed Transaction

The Company entered into a share exchange financing transaction with Global Resources Investment Ltd. ("GRIT"), a U.K. based company, whereby the Company will issue 20,000,000 common shares at a deemed price of $0.16 per share ($3,200,000) in return for 1,731,200 GRIT ordinary shares at a deemed issue price of £1.00 GBP. Closing of the transaction remains subject to the TSX-V acceptance and the GRIT listing on the London Stock Exchange.

The Company intends to use the net proceeds from the subsequent sale of the GRIT shares to fund further exploration delineation of its Iceberg gold deposit in Nevada, USA and for general corporate purposes.

14. Subsequent Event

Subsequent to December 31, 2013, the Company amended its stock option plan (the "Plan"), increasing the total number of stock options issuable from 11,500,000 to 15,500,000 stock options. In conjunction with the increase to the Plan, the Company granted 2,700,000 stock options to executive officers, directors and consultants of the Company at a price of $0.15 per share for a period of five years.